



## Offer #401-HHS-001

### Supporting Basic Needs of Low-Income Iowans

This offer includes the following appropriations: Family Investment Program (FIP), PROMISE JOBS (PJ) and State Supplementary Assistance (SSA)

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#### **Program Description:**

Iowa has 342,934 people – 11.8% of our population – living in households whose income is less than the federal poverty level. This means these families have an annual income:

- Less than \$10,830 for a single adult
- Less than \$14,570 for a two-person family
- Less than \$18,310 for a three-person family

There are 109,423 children – 15.7% of all Iowa children – who live in families with incomes below the federal poverty level.

Iowa has approximately 5,100 elderly and disabled people who receive Supplementary Assistance due to having incomes too low to meet a special need. An additional 13,800 receive a small benefit which allows them to be eligible for federal assistance to pay for a portion of their Medicare premiums.

This offer includes programs that individually, in various combinations, and collectively, help low-income Iowans meet basic needs, improve nutrition levels, and achieve greater economic self-sufficiency while maintaining their independence and dignity. These programs serve some of the State's most vulnerable populations, including children, the aged, and persons with disabilities. Unless otherwise noted, all programs are available statewide.

These programs include:

- Income support: the Family Investment Program (FIP) and the State Supplementary Assistance program
- Educational training support, development of work skills, family development, and work experiences: the PROMISE JOBS Program (PJ), Family Self-Sufficiency Grants (FSSG), the Food Assistance Employment and Training Program, and the Family Development and Self-Sufficiency (FaDSS) Program,
- Nutritional supports: the federal Food Assistance (SNAP) Program, the Commodity Supplemental Foods Program (CSFP), and The Emergency Food Assistance Program (TEFAP)

**Who:****Income Supports**Family Investment Program (FIP):

In SFY 2011, a monthly average of 17,075 families received an average FIP grant of \$338.02. To be eligible for FIP, single-parent families, two-parent families, and children living with caretaker relatives such as grandparents, must have countable income that is less than the maximum FIP payment level for the corresponding family size:

<b>Family</b>	<ul style="list-style-type: none"> <li>Maximum payment (must have countable income less than this amount to be eligible)</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly payment in SFY 2011</li> </ul>	<ul style="list-style-type: none"> <li>Annual cost based on average monthly payment in SFY 2011</li> </ul>
<b>2 person household (a parent + 1 child)</b>	<ul style="list-style-type: none"> <li>\$361</li> </ul>	<ul style="list-style-type: none"> <li>\$308.66</li> </ul>	<ul style="list-style-type: none"> <li>\$3,703.92</li> </ul>
<b>3 person household (a parent + 2 children or 2 parents + 1 child)</b>	<ul style="list-style-type: none"> <li>\$426</li> </ul>	<ul style="list-style-type: none"> <li>\$354.32</li> </ul>	<ul style="list-style-type: none"> <li>\$4,251.84</li> </ul>

The typical FIP family is headed by a single, Caucasian woman, aged between 20 and 29, with a high school education or equivalent; 13.8% dropped out of high school. The typical FIP family has two children: most of the children in families receiving FIP are under age six, only 16.2 % are over age 13. The average time a family spends on FIP is 21.11 months.

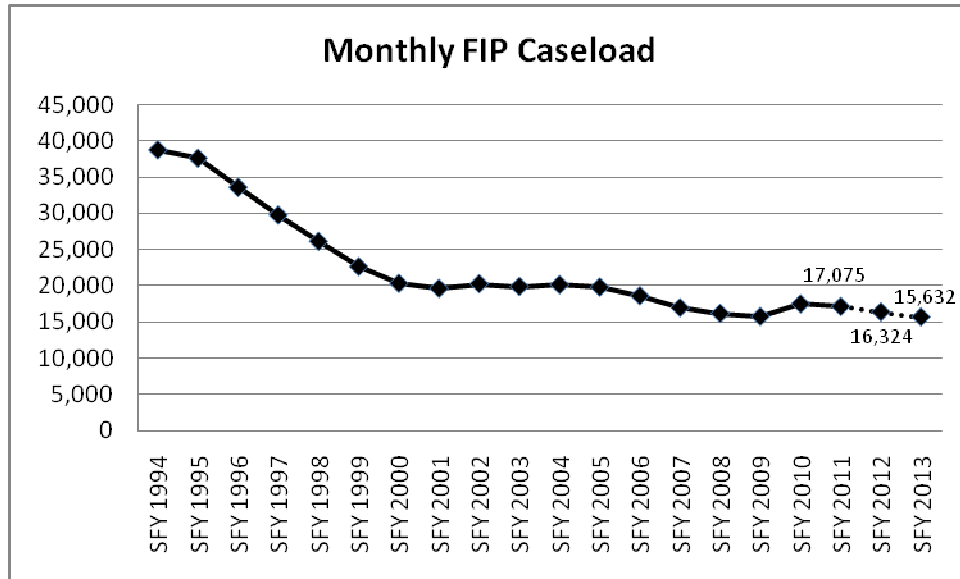
As of April 1, 2011, the household composition of families receiving FIP was as follows:

- 11,734 families (77.2% of the FIP families) were single parent families
- 859 families (5.6% of the FIP families) were two-parent families
- 2612 families (17.2% of the FIP families) were children living with caretaker relatives

As of April 2011, 4,798 adults (35.2%) in families receiving FIP who were referred to the PROMISE JOBS program were employed.

- 548 (4%) of the persons referred to PROMISE JOBS were in mental health treatment
- 206 (1.5%) of the persons referred to PROMISE JOBS were in other rehabilitation treatment
- 243 (1.8%) of the persons referred to PROMISE JOBS were in substance abuse treatment

In SFY 2011 the overall FIP caseload declined compared to the FIP caseload in SFY 2010. The decrease was not steady or consistent as the caseload fluctuated up and down throughout the year. It is expected that the caseload in SFY 2012 will follow the same trend as the SFY 2011 caseload by having an overall decrease with the caseload fluctuating up and down throughout the year. It is anticipated that the FIP caseload in SFY 2013 will decrease but have a more consistent downward trend throughout the year.



#### State Supplementary Assistance (SSA):

In SFY 2011, an average of 17,869 individuals per month received SSA benefits. SSA programs assist individuals who are aged, blind, or disabled and who either receive Supplemental Security Income (SSI) or would otherwise qualify for SSI except for income/wages.

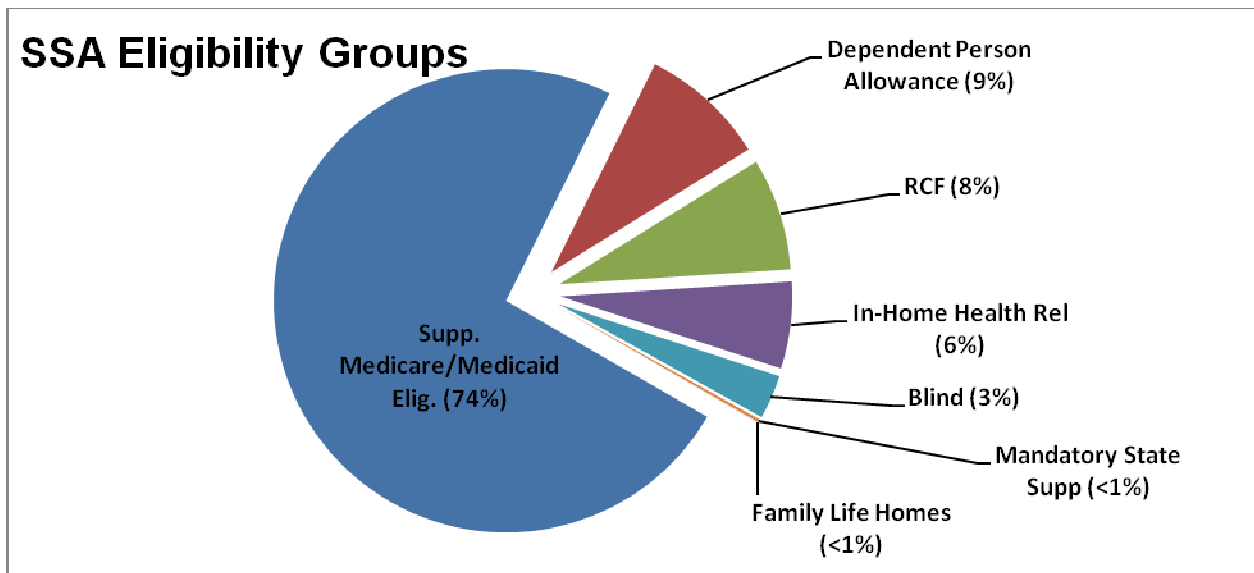
SSA programs serve the following populations (projected SFY 2013 monthly average recipients in parenthesis):

- The blind [Blind Allowance] (574)
- Aged, blind, or disabled persons who have a special financial need because they have a dependent relative living with them and whose income is too low to meet the needs of the dependent [Dependent Person Allowance] (1,644)
- Adult clients who are unable or unwilling to adequately maintain themselves in an independent living arrangement, but are physically capable of caring for themselves [Family Life Homes or FLH] (4)
- Persons with physical or mental problems that keep them from independent self-care, but who are able to stay in their own homes with some assistance or personal services [In-Home Health Related Care or IHHRC] (1,134)
- Persons who received assistance under state programs for the elderly and disabled prior to the implementation of SSI and whose needs can't be met by SSI [Mandatory State Supplementation] (40)

- Persons who live in a licensed Residential Care Facility (RCF) that participates in the SSA program. RCFs provide for 24 consecutive hours accommodation, board, personal assistance, and other essential living activities to at least three individuals. These persons are unable to properly care for themselves because of illness, disease, or physical infirmity, but they do not require the services of a registered or licensed nurse except on an emergency basis (1,465)
- Medicaid recipients, who are also eligible for Medicare Part B, have income at or above 120% of the Federal poverty level, and who do not qualify for other cash assistance benefits, including any other SSA program [Supplement for Medicare and Medicaid Eligibles] (13,845)

While the Supplement for Medicare and Medicaid Eligibles served the most people, State Supplementary Assistance payments for the three most expensive types of care average as follows:

- \$231.00 per month (\$2772 annually) to the 1,465 people who live in a residential care facility and need help paying for their care
- \$460.00 per month (\$5,520 annually) to help 1,134 people pay for care in their own home
- \$308.00 per month (\$3,696 annually) to help 1,644 elderly and disabled people who have a related dependent living with them



***Educational Training Support, Development of Work Skills, Family Development, and Work Experiences:***

**PROMISE JOBS:**

Families applying for and receiving FIP assistance are required to develop a plan to work toward self-sufficiency through the PROMISE JOBS program. In SFY2011, an average of 13,649 individuals participated in PROMISE JOBS (through April 2011). This mostly represents parents in the 17,075 families who received FIP in SFY 2011.

Family Self-Sufficiency Grants (FSSG):

PROMISE JOBS participants experiencing specific job-related barriers can access Family Self-Sufficiency Grants (FSSG) if the payments will allow the participant to retain or obtain employment within 2 months. In SFY 2011, a total of 2,709 participants received an average grant of approximately \$545.20.

Food Assistance Employment and Training (E&T):

This program serves families in Polk and Linn counties who are receiving Food Assistance but are not receiving FIP. The program helps individuals who are experiencing barriers to gaining stable employment.

FaDSS:

FIP families experiencing severe or multiple barriers to achieving self-sufficiency are referred by their workers to the FaDSS program. In SFY 2011, an average of 1,245 FIP families per month received FaDSS services.

**Nutritional Supports**

Food Assistance:

Low-income individuals and families – employed or not – may need assistance to meet basic food and nutrition needs. Food Assistance income guidelines changed January 1, 2011 when DHS expanded categorical eligibility to households with gross income up to 160% of the federal poverty level. This expansion, made at the direction of the Iowa Legislature, simplified the eligibility determination and eliminated the asset test for most households. Forty-four states have expanded categorical eligibility.

In June 2011, 386,153 individuals were receiving Food Assistance compared to 346,551 in June 2010. This represents an increase of 39,602 or 11.4%. The average monthly benefit per household was \$277 in SFY 2011. Participation in Food Assistance is at an all-time State high and expected to continue to increase with over 438,000 projected to be participating by the end of SFY 2013.

The United States Department of Agriculture (USDA) estimates that \$5 in food assistance generates \$9.20 in local and state economic activity. Approximately \$558.8 million in Federal food assistance funds were utilized in the Iowa economy in SFY 2011, a 9.7% increase from SFY 2010. These funds generated an estimated \$1.03 billion in overall economic activity.

Commodity Supplemental Foods Program (CSFP):

This program directly provides food to low-income working families and the elderly. Approximately 2,997 Iowans are served per month through the Commodity Supplemental Foods Program, or 35,964 annually. Ninety-five percent of those served are elderly. Elderly participants must have an annual income of less than \$14,157 for a one-person household and \$19,123 for a two-person household. Participants in the Department of Public Health's Women, Infants, and Children (WIC) program also qualify for Commodity Supplemental Food. Unlike WIC, children qualify up to age 6 and the annual income limit is \$27,214 for a two-person household and \$34,281 for a 3-person household. In SFY 2011, 915,525 pounds of commodities were distributed.

**The Emergency Food Assistance Program (TEFAP):**

This program distributes food to low-income lowans through food banks statewide. Emergency food was distributed to nearly 250,000 individuals per month, equaling over 3.0 million individuals in SFY 2011. In SFY 2011, 4.7 million pounds of commodities were distributed through this program.

**What:****Income Supports**

**Family Investment Program (FIP):** FIP provides a monthly cash grant to low-income families with children to help meet basic needs such as shelter, utilities, and clothing.

**State Supplementary Assistance (SSA):** SSA programs provide cash payments to supplement the income of lowans who are aged, blind, or disabled.

- Most SSA benefits are paid monthly and must meet a minimum payment level determined by the Federal government. Payments are made directly to the SSA recipient or to their designated payee.
- lowans receiving IHHRC, RCF or FLH assistance are required to help pay for the cost of their care based on their financial ability to do so; the State pays the difference between the actual cost of care and the client payment amount.

***Educational Training Support, Development of Work Skills, Family Development, and Work Experiences:*****PROMISE JOBS and FSSG:**

- The PROMISE JOBS program provides training, education, and employment services to FIP families to help them become self-sufficient and avoid long-term dependence on public assistance. Activities include: assessments, job-seeking skills training, job search activities, basic education services, work experience placement, monitored employment, unpaid community service, parenting skills training, workplace essentials training, and vocational post secondary classroom training. PROMISE JOBS pays allowances for specified costs, such as transportation and child care, related to participating in these activities.
- The FSSG program pays for goods or services to address a specific short-term employment-related barrier allowing a FIP family to obtain or retain employment within two months of receiving the FSSG assistance.

**Food Assistance Employment and Training (E & T):**

The Food Assistance Employment and Training program is a voluntary program designed to serve Food Assistance recipients. Due to limited federal funds, the program is only available in Linn and Polk Counties. The program offers: job-seeking skills, training in a classroom setting, and a structured employment search. The program also offers educational services including general education development, adult basic education, English as a second language, vocational training, and higher education opportunities. Opportunities for education and training were expanded in SFY 2010 to include tuition reimbursement, books, fees, and other class requirements, along with 90 days post-employment job retention services. Starting in SFY 2011, opportunities were expanded for short-term education and vocational training in occupations for which there is a high demand.

**FaDSS:**

This program provides intensive case management services to help FIP families address multiple or overwhelming barriers to achieving self-sufficiency.

**Nutritional Supports**

**Food Assistance (FA):** The Food Assistance Program (Iowa's Supplemental Nutrition Assistance Program)<sup>1</sup> helps low-income individuals and families avoid hunger and malnutrition by providing for the purchase of food, non-alcoholic beverages, and ingredients to prepare food using an EBT swipe card. Although the benefits under this program are 100% Federally funded, the State shares in the costs for administration. The program also provides nutritional education services.

**Commodity Supplemental Foods Program (CSFP) and The Emergency Food Assistance Program (TEFAP):** These Supplemental Food programs help low-income individuals and families avoid hunger and malnutrition by providing food, primarily in the form of commodities donated by the U.S. Department of Agriculture.

**How:****Service Delivery****Eligibility Services for FIP, SSA, and FA Programs**

The magnitude and duration of the recent economic recession have had a significant impact upon the demand for services under this offer. The number of cases for which Income Maintenance Workers are responsible has dramatically increased over the past two years. DHS has implemented several innovative projects to better handle increased caseloads.

- For every 861 income maintenance cases, there is one, specialized income maintenance worker (IM2) assigned. The level of cases per worker has steadily increased as the number of workers has decreased going from 481 cases per worker in 2009 to 693 in 2011.
- For every 12.3 child or dependent adult abuse cases, there is one specialized social worker (SW3) assigned. Because these cases involve the most vulnerable children and adults, the number of abuse related cases per worker had been held steady at 11 by shifting staffing reductions to other categories. The Child Welfare League of America recommends no more than 10 cases per worker.
- For every 114 children who are at risk of being removed from their home, are awaiting adoption, need child care or other family based services, there is one social worker (SW2) assigned for ongoing case work. The cases per worker have increased from 88 in 2009 to 109 in 2011.

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<sup>1</sup> The 2008 Federal Farm Bill reauthorized the Food Stamp Program and renamed it the Supplemental Nutrition Assistance Program. Iowa continues to call its program Food Assistance, as the USDA allows states to use names they adopted.

The Department continues to seek out new efficiencies and consolidate functions wherever the cost and benefits to lowans can be demonstrated. One example is the centralized service area, established in 2010, that brought together existing units (e.g. the Income Maintenance Customer Service Center) and established new units to deal with the reduced staffing levels and create efficiencies. The new units include; Child Care Registration and Payments, Centralized Child and Dependent Abuse Intake and the Nursing Facility Eligibility Unit. Full details of the work and challenges faced by field staff can be found in Offer #401-HHS-016.

***Educational Training Support, Development of Work Skills, Family Development, and Work Experiences:***

- DHS contracts with Iowa Workforce Development (IWD) to administer the PROMISE JOBS, Family Self-Sufficiency Grants (FSSG) and Federal Food Assistance Employment and Training programs.
  - Based on an assessment of goals and needs, FIP families work with PROMISE JOBS staff to develop a Family Investment Agreement (FIA) that lists the steps the family will take toward self-sufficiency; any barriers to these steps and how the barriers will be addressed; appropriate referrals; and what supportive services PROMISE JOBS will provide. PROMISE JOBS staff monitor participation in these activities, modify the FIA as needed, and pay allowances for specified costs, such as transportation and approvable child care related to participating in these activities.
  - PROMISE JOBS service delivery regions administer FSSG grants based on local plans developed by each region.
  - This budget supports 75.09 FTEs at IWD and 95.59 contract FTEs to provide PROMISE JOBS services. The number of FTEs may change as IWD finalizes their budget.
  - Food Assistance Employment and Training Services are provided by IWD to voluntary FA recipients in Polk and Linn Counties. IWD issues allowances to program participants for transportation and other necessary expenses.
- The DHS Bureau of Refugee Services also provides PROMISE JOBS services for refugees receiving FIP who are not yet proficient in English. This Offer funds 7 FTEs within the Bureau of Refugee Services. On average, each worker provides PROMISE JOBS services to 47 cases. These services are generally more labor intensive than comparable services provided to non-refugees due to language-related issues. Each worker also provides services to other refugees not on FIP so FIP refugee cases and PROMISE JOBS services represent only part of the overall workload.

**Family Development**

- The Department of Human Rights directly receives the FaDSS Program appropriation and administers the program. This program formerly was administered by DHS. FaDSS services are provided by local community agencies under contract with the Iowa Department of Human Rights (DHR).



- FaDSS is a component of PROMISE JOBS, and families volunteer to participate. Working with both PROMISE JOBS workers and the family, FaDSS provides ongoing assessment and goal setting and addresses safety, basic needs, shelter, health, and family functioning.
- This Offer funds 2.5 positions at DHR and 108.84 contract positions at community agencies to administer and provide FaDSS services.

#### Supplemental Food Programs

- The Commodity Supplemental Foods Program (CSFP) and The Emergency Food Assistance Program (TEFAP) provide food primarily in the form of commodities for low-income working families and the elderly through food banks, soup kitchens, senior congregate meal sites, home delivered meals, and State institutions. DHS has been designated as the State distribution agency to receive, store, distribute, and account for USDA donated foods. Community agencies acting as local distribution points must enter into a written distribution agreement with DHS.

#### **FIP and Food Assistance Benefit Issuance:**

- FIP and FA benefits are delivered using Electronic Benefit cards administered under a contract with Affiliated Computer Services (ACS).
  - 89.92 percent of FIP recipients received their monthly cash benefits via an Electronic Access Card (EAC) in June 2011.
  - All FA households receive benefits through an Electronic Benefits Transfer (EBT) card. The EBT card can be used at any business authorized by the Food and Nutrition Service (FNS) to accept "EBT", including businesses in Iowa and in other states.
  - Iowa is a national leader in providing FA EBT wireless Point of Sale (POS) devices to vendors at farmers markets, serving 160 farmers in 110 markets in 2011.

#### **Service Support**

In addition to resources providing direct service delivery, the programs in this offer require the following support services:

- Program Oversight
- Policy development and implementation ensuring compliance with Federal and State requirements, including administrative rules
- Management information systems providing automated eligibility and benefit determination benefit issuance, and information storage, tracking and reporting, as well as technical support for computer equipment
- Budget development and financial management, including but not limited to meeting Generally Accepted Accounting Principles regarding the receipt, payment and monitoring of Federal and State funds, as well as any additional State or Federal reporting requirements regarding such funds
- Training and technical assistance related to policies, procedures and management information systems
- Contract management
- Compliance with Accountable Government Act provisions
- Human resources/personnel
- Forms development and maintenance

- Processing of appeals and exceptions to policy
- Legislative, media and public information requests
- Other corporate management and leadership functions
- Contracted services through the Iowa Department of Inspections and Appeals (DIA) to conduct hearings, eligibility investigations and recovery of overpayments
- Contracted legal services through the Iowa Attorney General's Office

### Program Integrity

The Department is placing an increased focus on ensuring recipients are receiving the correct benefit at the right time for the right duration. This is being accomplished by ensuring accurate information is gathered at the time of application, at recertification, and when household changes occur. A part of that effort includes the Department's Quality Control activities.

### Quality Control

Quality Control (QC) activities help ensure that DHS Income Maintenance (IM) programs are delivered and operated in a high quality and accurate manner. The results of the QC reviews determine the error rate for the State's IM programs. There is an agency-wide effort to evaluate the accuracy of eligibility determinations and measure the impact of those decisions. Quality Control currently reviews, assesses, monitors, and reports on the accuracy of the State's eligibility determinations, providing a systematic method for monitoring Iowa's administration of the Food Assistance, Child Care Assistance, *hawk-i*, and Medicaid programs.

- Reduction in FA errors. The Department has implemented a corrective action plan to address error rates that exceeded the National Standard. Key strategies include:
  - Simplifying Food Assistance policies and aligning policies with other DHS programs to the extent possible
  - Standardizing and improving business processes with an emphasis on using technology to create efficiencies

These efforts are beginning to counter the impact that the increased caseload has had on accuracy, and the State's Food Assistance error rate was below the national average for FFY 2010.

### Results Achieved:

Result:	SFY 2011 Actual Level	SFY 2012 Projected Level	SFY 2013 Offer Level
Meet TANF work participation rates  Estimated targets for FFY 2011 <ul style="list-style-type: none"> <li>• All cases = 42%</li> <li>• 2-parent cases = 42%</li> </ul>	All case rate (for FFY 2011 through March) = 36.4%  2-parent rate (for FFY 2011 through March) = 30.3%	All case rate = 42%  2-parent rate = 42%	All case rate = 42%  2-parent rate = 42%

Reduced State costs for Medicaid resulting from the SSA Supplemental for Medicare and Medicaid Eligibles*	(\$12,221,078)	(\$11,074,048)	(\$11,519,339)
Number of persons receiving Food Assistance at the end of the State fiscal year (June)	386,153	416,586	438,421
Reduce Food Assistance active case error rate.	3.36% for FFY 20010	3% estimated for FFY 2011	4%

\*Reduced State costs are reflected in the DHS Offer 401-HHS-003, Medical Assistance, and Medical Contracts

Sustaining service delivery assumes the level of funding requested in the offer as well as full funding of salary adjustment. If funding is insufficient in either area, results to be achieved will be modified to reflect the impact.

### **Impact of Proposed Budget on Results:**

#### **Current Results:**

Maintain the following (all figures are SFY 2013 monthly average estimates):

#### **Income Supports**

- 15,632 low-income families with children receive a monthly FIP grant of \$339.52 to help meet basic needs.
- 4,861 aged, blind or disabled lowans receive financial help from the SSA program so they can live more independently; an additional 13,845 receive \$1 per month, allowing the State to receive Federal matching funds to help pay their Medicare Part B premiums.

#### **Work and Training Supports**

- An average of 12,839 FIP participants per month will be referred to PROMISE JOBS for training, education, and employment services.
- 4,295 receive reimbursement of \$0.30/mile for transportation costs to participate in activities other than work; e.g., education, averaging \$96.60 per month per person; 254 receive other monthly allowances averaging \$178.27 per month per person. Transportation reimbursement is not available for work purposes.
- Approximately 1,245 FIP families having multiple/severe self-sufficiency barriers receive case management services from the FaDSS program.
- 2,709 FIP families receive one-time payments from the FSSG program to meet work-related barriers such as car repairs, at an average cost of \$545.20.
- FA E&T provides job-seeking skills training, employment assistance, and educational services to non-FIP Food Assistance recipients.

## **Nutritional Supports**

- Food Assistance helps an estimated monthly average of 200,262 low-income Iowa households (equal to 428,451 individuals) buy food.
- Supplemental Food programs provide food through food banks, soup kitchens and other sites.

## **Continuing Impacts of the American Recovery and Reinvestment Act**

The American Recovery and Reinvestment Act of 2009 (ARRA) was implemented to help address the recent national economic recession. Certain provisions of this Act continue to have either a direct or indirect impact on programs included in this offer.

Food Assistance Benefits: One key provision of the ARRA increased the minimum benefit under the Federal Supplemental Nutrition Assistance Program (Food Assistance in Iowa) by 13.6% beginning in April 2009. This increase:

- Had the effect of increasing benefits for all households by at least 13.6% and in cases where the household is employed, even more.
- Provided much needed relief to households struggling to make ends meet while simultaneously increasing their purchasing power to further stimulate the State economy.
- Substantially increased overall benefits, which are 100% Federally funded, in SFY 2010, 2011 and 2012.
- Will result in minimum benefit amounts remaining unchanged until cost of living adjustments catch up or until an earlier date established by federal law – currently April 2014. Minimum benefit amounts are not anticipated to increase in SFY 2011, 2012 or 2013.

## **Legal Requirements:**

### **Federal:**

- Under the Temporary Assistance for Needy Families (TANF) block grant, states must meet maintenance of effort (MOE) requirements by spending state funds for specified purposes (45 CFR 263 subpart A). Iowa's MOE requirement is \$65,845,626.
  - Eligible expenditures are currently limited to FIP, PROMISE JOBS, FaDSS, certain childcare assistance, certain administrative costs, and the refundable Iowa earned income tax credit.
  - Failure results in a reduction of the State's TANF grant equal to any shortfall.
- States must meet TANF work participation requirements (45 CFR Part 261).
  - PROMISE JOBS helps meet this requirement.
  - Failure can reduce the State's TANF grant; over \$4.5 million for failing the all-family rate (Iowa is expected to meet all years) and less than \$300,000 for failing only the 2-parent rate (Iowa met in FFY 2007, FFY 2008, and FFY 2009, and is anticipated to meet for FFY 2010 and FFY 2011 with FFY 2012 being much more of a challenge.)
- SSA benefits are a MOE requirement for the Medicaid program (20 CFR 416.2095 and 416.2096).
  - States failing this requirement cannot participate in the Medicaid program.
  - States must meet minimum Federal payment levels.

- The State has a long-standing agreement with the U.S. Department of Agriculture (USDA) under 7 CFR 272.2 for DHS to operate the Food Assistance program. The Food, Conservation and Energy Act of 2008 reauthorized the program at the national level. The State must also have an Employment and Training program (Section 6 of the Food and Nutrition Act of 2008 as amended by P.L. 110-246).

**State:**

Iowa Code chapter 239B requires FIP and PROMISE JOBS services, subject to available funding.